

## REMARKS

Claims 1-34 are in the application.

Claim 5 is amended to correct a spelling error. Likewise, a grammatical error in paragraph [0083] is corrected.

Claims 22-34 are new.

Claims 1-5, 7-19 and 21 are rejected as being obvious over Silverman et al., US 5,924,082. Claims 6 and 20 are rejected as being obvious over Silverman et al. in view of Kovlak (Management Accounting) or Chou, US 6,035,289, respectively.

Silverman et al. relates to a system for matching counterparties for a negotiation. Silverman et al. does not relate in any way to repurchase agreements, and therefore fail to teach or suggest that "each of [the] trading terminals presents a hierarchal list of repurchase agreement opportunities". The cited portion of Silverman et al. reads: "Users may change their rankings of other counterparties at any time. If a user enters new ranking information, the system will update its information as well as optionally update the information displayed on all counterparties' displays to dynamically reflect the new ranking. Therefore, the information stored in the matching computer 11 and displayed on the counterparties' display screens is automatically updated as rankings are modified by the users." In fact, while the specification of the present application discusses ranking of opportunities, this ranking is separate and distinct from the presentation of a hierarchal list. In a hierarchy, multiple objects may occupy a single level, and each level may be treated as a class. In contrast, in a ranked list, each object occupies a distinct position, and a rank position does not provide a classification of a plurality of objects occupying that position.

The present application states:

[0058] While the market for repo's is liquid and efficient, transactions typically involve negotiation of terms. Thus, a communication between potential counterparties is desired in order to come to terms. Further, in negotiating a transaction, a number of bidders may be involved, and thus multiple negotiations for the same collateral may be ongoing simultaneously. In order to administer these negotiations, a screen portion of a graphic user interface is preferably provided, organized by counterparty and/or collateral. A user (dealer or investor) may then keep track of negotiations using hierarchy, allowing the user to quickly switch between negotiations and analyze a status thereof. In one embodiment, the hierarchy is initially sorted by collateral class, e.g., US Treasuries, US Agencies, Mortgages, and then by dealer name (for an investor screen) or by other key (e.g., alphabetical, transaction size, proximity of bid and ask, etc.). For each listed collateral, there may be outstanding negotiations. An investor may then commence or continue negotiations for collateral, while a dealer must respond to negotiations, and does not initiate communications with investors. The negotiations are highly formalized and preferably entail a communication of a set of formatted parameters, representing a desired deal. The differences between the bid and ask may then be highlighted, or a free-form alphanumeric message passed between potential counterparties. When the terms (and respective counterparties) are accepted by both parties, the parties may then accept, and the deal be closed. The system preferably includes an automated trading ticket generator, with central logging.

Thus, while elements within a hierarchal level may be ranked, and the hierarchal objects themselves ranked or sorted, there is no merger.

Thus, it is respectfully submitted that the examiner has failed to set forth a prima facie case of anticipation or obviousness of claims 1-6.

Claim 7 provides that: "... a party associated with a transaction is anonymous until communications are established through said communications network, for transmitting negotiating messages." Silverman et al., in contrast, state: "At the completion of the initiation stage of operation, the identities of the parties are revealed so that they may negotiate the outstanding terms of the transaction in the completion stage." and "Yet another object of the present invention is to provide a matching system which automatically matches users making

offers (offerors) or bids (bidders) with potential counterparties who are interested in the type of offer/bid being made by the offeror/bidder, wherein the parties are mutually acceptable trading partners for the particular category of transaction sought by the offeror, and wherein the identity of the parties to the transaction is not revealed until just before or at the time a deal has been struck.”

Thus, it is clear that Silverman et al. maintain anonymity throughout negotiations, while according to the present invention a counterparty identification is employed as a part of the negotiations, and represents a distinct and substantial difference. In a repurchase agreement negotiation, the identity of the counterparty itself represents a risk factor, independent of the underlying security being negotiated.

Therefore, it is respectfully submitted that claims 7-13 are not anticipated by Silverman et al.

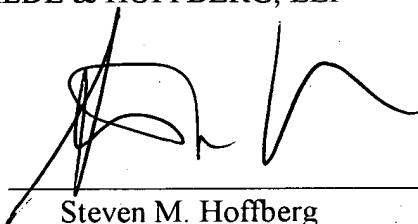
Claim 14 includes the language: “receiving from a user terminal a user entry portion for defining potential repurchase agreement terms.” In fact, to define a potential repurchase agreement, one must define the security as well as the funding rate. The funding rate is independent of the yield or discount from face value of the underlying security. Since a repurchase agreement trading or negotiation system must support handling and conveyance of this information, which is not a normal part of equity or debt instrument communications, a generic disclosure of a debt or equity trading terminal fails to provide enablement for a repurchase agreement trading terminal. Thus, Silverman et al do not teach or suggest the application of their terminal or method of use thereof

for negotiating repurchase agreements, and claims 14-21 are not anticipated nor rendered obvious.

It is therefore respectfully submitted that the claims are neither anticipated nor obvious in view of the art of record, and that the claims are therefore allowable.

Respectfully submitted,

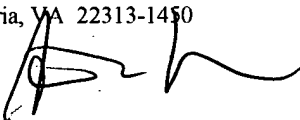
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